vinces are subject, because of the income-tax. If Government need more money they may increase the land revenue.

Mr. Gopalaswami Iyer.—The tax may be levied. It need not be postponed. Labbeys and marwaris have got branches in Bombay, Vellore and Madras and other places as well as in Bangalore and income-tax is not new to them. It was also said that merchants would not like to have their account books to be laid open. But they produce their books in civil courts without hesitation. In fact if they keep accounts properly they need have no fear. As to votes being taken a second time, I am of opinion that votes should not be taken. For, then, there will be no finality to Government Proceedings. We would have to go on taking votes every time any one raised any objection. But if votes are taken it might be necessary to make an analysis of the voters to see how many are merchants and lawyers. On the last occasion all land-owners wanted income-tax to be levied. Merchants and lawyers were neutral.

Dewan.—Votes will not be taken.

Mr. Gundu Rao.—This tax will give much trouble to the raiyats. We can postpone this measure for a year and then introduce this bill.

Mr. H. Krishna Sastri.—The question has not come up again for discussion. If we go on discussing in regard to this tax we will take more than three years to come to any definite conclusion.

Dewan.—Postponement of tax is not possible. Much has occurred since last October when this subject was sent and this discussion is a little out of date. The question is not for discussion here. I only wanted to elicit opinion.

SUBJECT NO. 1.

Financial allotments to be talukwar.

Mr. Karnick Krishnamurti Rao, Magadi Taluk.

Mr. Karnick Krishnamurti Rao.—Now financial settlement is made by departments. Hereafter, as in United States of America, talukwar financial settlement should be made. A certain percentage should be allotted for general administration and the balance divided talukwar.

Dewan.—Some taluks are very poor and they will be starved. This is a bad system of finance. Decentralisation is possible only by the formation of local bodies.

Mr. Karnick Krishnamurti Rao.—Then let Government begin Financial Settlement by districts.

Chief Secretary.—If you want you may ask for some grants from local bodies.

Mr. Karnick Krishnamurti Rao.—If grants are asked for, Government say that there is no money.

Reply of Government.—The proposal is impracticable.